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ATTORNEY GENERALS OFFICE
HELENA, MONTANA

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MONTANA FIRST JUDICIAL DISTRICT COURT
LEWIS & CLARK COUNTY

THE STATE OF MONTANA, ex rel.
Mike McGrath, Attorney
General,

Plaintiff,

v.

SINNAR BIDI UDYOG, LTD., a
foreign corporation, SHRIRANG
SARDA, individually and
d.b.a. SHRIRANG KISANLAL
SARDA and/or KISANLAL
BASTIRAM SARDA, KISANLAL
BASTIRAM SARDA, individually
and d.b.a. KISANLAL BASTIRAM
SARDA, and DOES 1 through 10,
inclusive,

Defendants.

Cause No. ACDV-2003-603

ORDER OF DEFAULT JUDGMENT

This matter is before the Court on the Plaintiff's ex parte motion for default judgment against Defendant. This Court having reviewed the motion and the entire record in this matter hereby finds as follows:

1. Plaintiff is the Attorney General's Office of the State of Montana and, pursuant to Mont. Code Ann. § 16-11-

1 403, is authorized to bring this action to enforce Montana's
2 Tobacco Products Reserve Fund Act ("the Act").

3 2. Defendant, Sinnar Bidi Udyog, Ltd., is a corporate
4 entity doing business in Nasik, India. Defendant Shrirang
5 Kisanlal Sarda is the Managing Director of Sinnar Bidi
6 Udyog, Ltd., and also does business in his own name.
7 Kisanlal Bastiram Sarda is an individual who is the Chairman
8 of Sinnar Bidi Udyog, Ltd., and also does business in his
9 own name. They fall within the statutory definition of a
10 tobacco product manufacturer in Mont. Code Ann. § 16-11-
11 401(9)(a).

12 3. Sinnar Bidi Udyog, Ltd., Shrirang Sarda, and
13 Kisanlal Sarda (Defendants) were properly served with the
14 Summons and Complaint on February 20, 2004, in accordance
15 with the Montana Rules of Civil Procedure.

16 4. At least 20 days have passed since the service of
17 the Summons and Complaint and the Defendants have failed to
18 appear herein.

19 5. Defendants are not infants or incompetent.
20 Venue is proper pursuant to Mont. Code Ann. § 25-2-124.

21 6. Default was entered against defendants on May 25,
22 2004.

23 7. Defendants have failed and continue to fail and/or
24 refuse to comply or otherwise bring themselves into
25 compliance with the Act.

26 8. Defendants' actions constitute "knowing"
27 violations.

1 9. Defendants have failed to make the required annual
2 deposits for four years and have committed at least two
3 knowing violations of the Act.

4 THEREFORE, the Defendants are in default and default
5 judgment is hereby entered against them as follows:

6 1. Defendants shall, within 15 days of this Order,
7 establish a "qualified escrow fund" in full compliance with
8 the requirements of Mont. Code Ann. § 16-11-403(2)(c)(ii) in
9 a form satisfactory to the Attorney General of the State of
10 Montana;

11 2. Defendants shall, within 15 days of this Order,
12 deposit funds of at least \$156.85 for sales in years 1999,
13 2000, 2001, and 2002 into a "qualified escrow fund" as
14 defined in Mont. Code Ann. § 16-11-403(2)(c)(ii) for the
15 State of Montana;

16 3. Defendants shall, within three days of the escrow
17 payment being made as ordered above, file with the Attorney
18 General's Office of Montana a Certificate of Compliance in a
19 form satisfactory to the Attorney General of the State of
20 Montana as required under Mont. Code Ann. § 16-11-403(2)(c);

21 4. Defendants shall, within 15 days of this Order,
22 submit an accounting of the unit sales of each cigarette
23 brand sold to consumers in the State of Montana through a
24 distributor, retailer, or similar intermediary or
25 intermediaries, to the satisfaction of the Attorney
26 General's Office of Montana. The accounting shall include a
27 summary report disclosing the contractual and other

1 relationships between the Defendants and their successors,
2 affiliates, subsidiaries, distributors, importers,
3 wholesalers, and retailers as required by the Attorney
4 General or his designee to audit, examine, reconcile, and
5 confirm the unit sales accounting provided; and

6 5. Defendants shall, within 15 days of this Order,
7 pay the maximum civil penalty under the requirements of
8 Mont. Code Ann. § 16-11-403(2)(c)(ii) of \$470.55.

9 6. Defendant shall, within 15 days of this Order, pay
10 service costs of \$1,911.90;

11 7. Defendant shall, within 15 days of this Order, pay
12 the costs of investigation, costs of suit, and reasonable
13 attorney's fees in the amount of \$727.58 and

14 8. Defendant shall pay post-judgment interest in the
15 amount of 10 percent per annum as allowed by Mont. Code Ann.
16 § 25-9-205.

17 This Court retains jurisdiction over this matter in
18 order to administer and enforce its terms and to make
19 amendments to reflect any additional sales by the Defendants
20 based upon affidavits or declarations filed by the State
21 substantiating any new information of additional sales
22 discovered, or new determinations made by the State
23 regarding sales attributed previously to others during the
24 relevant sales years which should be reattributed to the
25 Defendants.

26

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1 MONEY JUDGMENT

2 1) Name/Address of Judgment Creditor:

3 State of Montana
4 c/o Attorney General's Office
5 215 N. Sanders
6 Helena, MT 59601

7 2) Name/Address/Phone of Judgment Creditor's Attorney:

8 Ms. Kelly M. O'Sullivan
9 Assistant Attorney General
10 215 N. Sanders
11 P.O. Box 201401
12 Helena, MT 59620-1401
13 (406) 444-2026

14 3) Name/Address of Judgment Debtors:

15 Sinnar Bidi Udyog, LTD.
16 Camel House, 1st Floor
17 Nasik Pune Road
18 P.O. Box 1203
19 Nasik, India 411 042

20 Shrirang Kisanlal Sarda
21 Camel House, 1st Floor
22 Nasik Pune Road
23 P.O. Box 1203
24 Nasik, India 411 042

25 Kisanlal Bastiram Sarda
26 Camel House, 1st Floor
27 Nasik Pune Road
P.O. Box 1203
Nasik, India 411 042

Their successors, affiliates and/or assigns.

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1 4) Principal Amount of Judgment
2 for Escrow: \$156.85
3 5) Principal Amount of Judgment
4 for Penalties: \$470.55
5 6) Costs, Investigative Costs and
6 Reasonable Attorney's Fees: \$2,639.48
7 Total \$3,266.88
8 7) Post-Judgment Interest--Pursuant to Mont. Code Ann.
9 § 25-9-205 on the total judgment which consists of the
10 amounts in Paragraphs 4, 5, and 6 above (\$3,266.88) from the
11 date judgment is entered until fully paid.
12 **JUDGMENT IS FURTHER ENTERED AS FOLLOWS:**
13 Defendants, and their agents, servants, employees,
14 representatives, subsidiaries, successors, affiliates, and
15 all persons acting in concert with them, should be
16 permanently enjoined and restrained from selling any
17 cigarette as defined in Mont. Code Ann. § 16-11-402(4) that
18 it may "manufacture" or "purchase for resale" as
19 contemplated by Mont. Code Ann. § 16-11-402(9) to consumers
20 within the State of Montana, whether directly or through a
21 distributor, retailer, or similar intermediary or
22 intermediaries for a period of two years from the date that
23 Defendants achieve compliance with the requirements of Mont.
24 Code Ann. § 16-11-403 to the satisfaction of the Montana
25 Attorney General, including but not limited to the following
26 brand: Kailas bidi.
27 The injunction against further sales by Defendants
shall continue for two years from the date of the Order.

This Court retains jurisdiction over this matter in order to administer and enforce its terms and to make amendments to reflect any additional sales by the Defendants based upon affidavits or declarations filed by the State substantiating any new information of additional sales discovered, or new determinations made by the State regarding sales attributed previously to others during the relevant sales years which should be reattributed to the Defendants.

DATED this 7 day of June, 2004.

DOROTHY McCARTER
DISTRICT COURT JUDGE

c: Ms. Kelly O'Sullivan
Mr. Kisanlal Bastiram Sarda
Mr. Shrirang Kisanlal Sarda
Sinnar Bidi Udyog, Ltd.